



**2018  
COMMUNITY DEVELOPMENT  
BLOCK GRANT PROGRAM**

**COMMUNITY PLANNING  
GRANT APPLICATION &  
GUIDELINES**

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**MONTANA DEPARTMENT OF COMMERCE  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM**

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## **INTRODUCTION**

The Montana Department of Commerce (Commerce) Community Development Division (CDD) will set aside up to \$500,000 of Community Development Block Grant (CDBG) funds for Community Planning grants that support housing, public facility and economic development planning. CDBG planning grants may be used for a variety of planning activities.

## **I. ELIGIBLE APPLICANTS**

CDBG planning grants are available to eligible counties, cities, and towns. Local governments may apply on behalf of special purpose districts (such as water or sewer districts), unincorporated areas, or on behalf of public school districts, or on behalf of non-profit organizations (such as a human resource development council, an area agency on aging, a local domestic violence shelter, a boys and girls club, local food bank, hospital, nursing home, or a similar non-profit agency). Counties may also apply for planning grants on behalf of tribal utility authorities.

Local governments may apply for one (1) CDBG planning grant per funding cycle. Local governments with an open CDBG planning grant from a previous funding cycle are ineligible to apply for an additional planning grant until their current planning project is completed and closed out.

As consolidated local governments, Butte-Silver Bow and Anaconda-Deer Lodge may apply for two planning grants and may have up to two (2) planning grants open at any given time.

If you have additional questions involving eligibility, please contact Community Planning staff at the Department of Commerce directly.

## **II. ELIGIBLE PLANNING PROJECTS AND COSTS**

CDBG Planning Grant funds awarded through the current grant cycle may be used for the creation or update of plans, studies, training or research in any of the areas listed below. Special emphasis will be placed on those proposals that address major community development needs, concerns, and issues and demonstrate an ability to achieve significant community impacts.\_

Please contact Community Planning staff directly if you have any questions about whether the proposed planning project is an eligible activity under HUD regulations.

- ☐ Growth Policies
- ☐ The growth policy should include a detailed description of the public service and facility needs of particular groups of persons who generally fall within the low and moderate-income category, such as the elderly, single heads of households, people that are homeless or at-risk of homelessness, or abused or neglected children. ADA Self-Assessment Plans, (and related studies, policy development and regulation to promote accessibility)
- ☐ Comprehensive Capital Improvement Plans

- ❑ Comprehensive Economic Development Strategy Plans
- ❑ Downtown/Neighborhood Revitalization or Master Plans, to include comprehensive market studies, urban renewal plans, research and analyses of fair housing availability, the development of supporting policy, and related environmental studies
- ❑ Historic and Architectural Preservation Plans, Studies and Analyses
- ❑ Housing plans, to include housing needs assessments, housing condition surveys, housing affordability and market feasibility studies, or the development of local or regional housing assistance programs
- ❑ Planning activities associated with the preparation and adoption of a Urban Renewal District (URD) or Targeted Economic Development District (TEDD)
- ❑ Adaptive Re-Use or Redevelopment Plans
- ❑ Preliminary Engineering Reports (PERs) for drinking water, wastewater, stormwater or solid waste facilities (or other public facilities), and economic development projects
- ❑ Preliminary Architectural Reports (PARs) for housing, public facilities, school facilities and economic development projects
- ❑ Site-specific Development Plans
- ❑ Development of Business Plans, Feasibility Studies, and Market Analyses
- ❑ School Facility Condition Assessments, School Facility Energy Audits and Comprehensive School Facility Master Plans
- ❑ Preparation of grant applications for CDBG Housing, Public Facilities or Economic Development projects, in conjunction with a planning project listed above. A planning project other than those listed above, recognized and agreed to by the Department (please contact Community Planning staff prior to submitting an application for additional guidance)

### **III. INELIGIBLE PLANNING PROJECTS AND COSTS**

CDBG Planning Grant funds cannot be used to pay for the following activities:

- ❑ Operation and maintenance costs or expenses;
- ❑ Purchase of furnishings, fixtures, equipment or real property;
- ❑ Non-planning documents such as final design or construction drawings;
- ❑ Construction or any other non-professional services;
- ❑ Grant administration and management expenses, with the exception of postage costs, in-state mileage costs and copy and printing costs associated with the administration of eligible planning grant activities;
- ❑ Financial expenses, including but not limited to interest expense, bond issuance costs, or any other debt-related costs or expenses; or

- ❑ Any otherwise eligible planning project costs incurred prior to the date of announcement of grant award by the Department of Commerce.

#### **IV. AWARD AMOUNTS & REQUIRED MATCH**

CDBG Planning Grants are available in amounts **up to \$50,000**. Planning grant funds requested for long-range community development activities that have an overall community benefit will require the applicant provide match on a 1:3 basis; in other words, an applicant must provide a minimum of \$1 in match for every \$3 of CDBG planning grant funds awarded. Planning grant funds requested for economic development activities on behalf of a private entity for site-specific projects will require the applicant provide match on a 1:1 basis. Matching funds must be firmly committed by the time CDBG grants funds are released.

The amount of CDBG funds requested, and matching funds to be committed, must be described in the proposed budget as part of the application materials (see *Exhibit 2* of the application for the required budget format and instructions).

Firm loan commitments -- such as funds borrowed from the Montana Board of Investments Intercap Program -- or local cash reserves -- are acceptable forms of match. Grants or cash contributions from other local, state, or federal agencies and programs or private organizations are also acceptable forms of match for CDBG planning grant awards. However, 1/3 of the matching funds must be committed from local sources (i.e. not from state or federal grants).

Grant applicants cannot substitute “in-kind” services provided by local governments, such as regular salaried staff time, for cash match. In-kind match is difficult to document; therefore, CDBG will only accept cash, grants or loans as a match.

In documenting a firm commitment of matching funds, the applicant must:

1. Specify the amount and use of the funds committed by the applicant as match; and
2. For funds to be provided by an entity other than the applicant, provide a letter of commitment from the agency or organization involved. The commitment of funds or resources may be made contingent on CDBG funds being awarded for the proposed planning project.

#### **Reduction or Waiver of Match**

**Commerce may reduce or entirely waive the match requirement, if specifically requested by the applicant, in extreme hardship cases only.** Applicants seeking to reduce or waive the match requirement must formally request a reduction of the match or a waiver at the time of application; reduction or waiver requests made after CDBG funds have been awarded will not be considered. The applicant must also include documentation in the application materials which:

1. Clearly demonstrates that higher financial participation is not possible **and**
2. Provides written evidence that the need for the planning project relates to an immediate need to protect public health or safety or would respond to a serious need principally impacting low or moderate-income persons or households.

## **V. APPLICATION SUBMISSION**

### **CDBG Planning Grant applications will be accepted on an on-going basis beginning April 30, 2018.**

CDBG Planning Grant applications will be reviewed on a monthly basis and Commerce will announce awards as described in the Application Review Process until all funds are awarded. Applications for the preparation of preliminary engineering reports (PERs) for water or wastewater systems will be accepted at the same time but may be considered secondary to other planning priorities for funding due to other state and federal program funds available. An alternate source of funding for Preliminary Engineering Reports and Capital Improvements Plans are available through the other federal or state funding sources.

To apply for a CDBG Planning Grant, all eligible applicants must complete the application found on the Department of Commerce [website](#). Completed applications and all supplemental materials are required to be submitted by first class mail, hand delivery, or email to:

Montana Department of Commerce  
Community Development Division  
Community Planning  
301 S. Park Avenue - P.O. Box 200523  
Helena, MT 59620-0523  
[DOCCDBG@mt.gov](mailto:DOCCDBG@mt.gov)

Each application submitted must be complete and accompanied by all required supplemental materials. Applicants must complete the environmental process as provided in exhibit 3-A and 3-B. If an exempt determination cannot be made by the applicant, the applicant must contact Community Planning staff for further assistance. Commerce reserves the right to reject ineligible, incomplete, or otherwise improper applications. If the applicant submits an application electronically, the original signature page must be subsequently mailed to the Department.

Applicants are encouraged to contact Community Planning staff with any questions they have concerning application submittal and the requirements related thereto.

Alternative accessible formats of this document will be provided upon request. If you need this document in an alternative format, such as large print, Braille, audio tape, or computer diskette, please contact the Montana Department of Commerce Community Development Division at (406) 841-2770, TDD (406) 841-2702, or the Relay Services number, 711.

The Department of Commerce does not discriminate on the basis of disability in admission to, access to, or operations of its program, services, or activities. Individuals, who need aids or services for effective communication or need other disability-related accommodations in the programs and services offered, are invited to make their needs and preferences known. Please provide as much advance notice as possible for requests.

## **VI. APPLICATION REVIEW PROCESS**

Community Planning staff will review all CDBG Planning Grant applications and evaluate the extent to which each proposed planning project relates to the criteria set forth below. Applications will be reviewed on an on-going basis, in the order they are received, and awards will be based on overall merit of the application and its ability to meet established CDBG goals and objectives.

Community Planning staff will first review each application for completeness. During this review, staff may contact an applicant to discuss any concerns or questions, or to request additional information or documentation.

Staff may require additional information from the applicant to clarify information presented in the application; however, the applicant may only submit additional information after the initial application if and when specifically requested by staff.

Applicants for CDBG planning grant funds will be evaluated as to how the proposed planning project meets each of the application criteria, consistent with the overall goal of helping communities address their greatest needs, concerns and issues, and especially address the needs of low and moderate-income households, combined with the likelihood to achieve substantial community impact. Staff will consider the overall quality of the application, including measurable project goals, tasks, and activities, a well-developed work plan and budget, and easily identifiable deliverables, in making award decisions.

Commerce will notify successful applicants of a CDBG Planning Grant award by sending a formal award letter. The completed application, including any written modifications resulting from the review of the application by Community Planning staff and approved by the Department, will be incorporated into the grant contract between Commerce and the successful applicant. The grant contract must be executed by an authorized agent of the local government.

## **VII. ADMINISTRATIVE PROCEDURES & REQUIREMENTS**

The provisions below describe some of the more significant administrative procedures and requirements successful CDBG Planning Grant applicants must comply with. All procedures and requirements that the award recipient must comply with will be set forth in the grantee's contract with Commerce. Forms and templates are available on the CDD website at [comdev.mt.gov](http://comdev.mt.gov)

1. **Payment:** CDBG planning grant recipients must execute a contract with Commerce before any funds can be reimbursed. Payment for approved expenses under the grant contract will be on a reimbursement basis only. Commerce will typically disburse 50% of the planning grant award upon request for payment accompanied by proper documentation and submittal of draft project deliverables, when applicable. To request payment from the Department, grantees must submit a Request for Funds form with supporting documentation, including a Signature Certification Form and all applicable invoices detailing the project expenditures by activity, employee and showing hourly rate breakdowns, along with a project progress report. Documentation of the procurement process followed will be required submitted as part of the initial request for payment. To receive final payment, the grantee must show proof of expenditure of all matching funds and include one hard copy and one electronic copy of the final planning deliverables (growth policy, CIP, PAR, etc.). Commerce will determine whether supporting documents for a request for payment are sufficient and adequate to approve reimbursement. If the grantee fails to obligate expenses on or before the termination date of the grant contract, Commerce cannot reimburse the grantee planning grant award funds, unless the grantee can demonstrate, to the satisfaction of Commerce, a reasonable basis for the delay in requesting reimbursement. All documentation and requests for reimbursement must be received by the department within 60 days of termination of the grant contract.
2. **Reporting Requirements/Project Monitoring:** Grantees will be required to submit progress and expenditure reports in accordance with the requirements of the grant contract. Commerce reserves the right to perform site inspection(s) in order to monitor the Grantee's compliance with the terms of grant contract, including but not limited to verification of planning services performed and monitoring of CDBG grant funds.
3. **Public's Right to Know:** Applications that are funded are subject to disclosure, in response to requests received under provisions of the Montana Constitution (Art. II, §9). Information that could reasonably be considered to be proprietary, privileged, or confidential in nature should be identified as such in the

application.

4. **Authority/Approvals:** The signature on the application is the Applicant's (or their authorized agent's) certification that the local government has approved submittal of the application and has firmly committed the matching funds required.
5. **Compliance with Laws:** The Applicant must certify on the application that the proposed planning project complies with all state, federal, and local laws, ordinances, and regulations, including any necessary environmental review and procurement requirements.
6. **Dissemination of Information/Technology Transfer:** Grantees will be contractually required to allow Commerce access to any facility or site associated with the planning project, and the ability to obtain, publish, disseminate, or distribute any and all information obtained from the planning project (except any data or information identified as confidential or proprietary), without restriction and without payment or compensation by Commerce.
7. **Grant Duration/Performance Period:** The grant term will begin upon execution of the grant contract and will end one (1) year after the date of the Award Letter, or upon final reimbursement for costs and close-out of the planning project by Commerce, whichever is sooner. Commerce will consider special circumstances, on a case-by-case basis, that necessitates a longer contract period. No requests for payment may be submitted for any costs or expenses obligated by the district for reimbursement after termination of the grant contract. All planning projects for which a CDBG Planning Grant has been awarded must be completed within the time frame specified in the contract. Commerce, in its sole discretion, may grant an extension to this deadline if the planning project is near completion but will not be fully completed by the deadline, and the grant recipient can demonstrate a good faith effort to complete the project on time and within the original budget. If no Project Completion Report form is submitted, the grant will be considered closed-out 90 days following expiration of the grant term.
8. **Return of Funds:** At Commerce's sole discretion, the grantee will be required to and agrees it shall return to Commerce any and all funds that are determined by Commerce to have been spent in violation of the terms and conditions of the grant contract.
9. **Cost Savings:** In the event that expenses for a CDBG Planning Grant projects are less than the projected costs and grant award, Commerce may, in its sole discretion, authorize additional related planning efforts for the same facility to enhance the overall project or reduce the grant award accordingly.
10. **Uniform Act:** CDBG planning grants funding the preparation of preliminary engineering (PER) or architectural (PAR) reports that consider, recommend or require the acquisition of real property are subject to the Uniform Act (URA). Grantees are encouraged to contact CDBG program staff anytime acquisition is being considered as part of a planning grant application or award, to ensure all necessary and appropriate URA procedures are followed.

## **VIII. PROCUREMENT OF PROFESSIONAL SERVICES**

To be eligible for reimbursement, professional architectural or engineering services must be procured in compliance with federal and state laws, including but not limited to, 2 CRF 200 and 18-8-201, MCA. The local government will be required to submit evidence showing the procurement process was followed and provide documentation of the review and selection process, prior to requesting reimbursement. In order to ensure that expenditures will be eligible for reimbursement, please contact a Community Planning staff member directly for guidance BEFORE procuring professional services or incurring any costs for which the local government may later request reimbursement.



For procurement of planners, grant writers and consultants, CDBG recommends using the formal RFP process to increase the community's ability to hire the best qualified consultant. A planning RFP should be concise, contain all the important information needed for firms to respond in a factual manner, and indicate the services the consultant would be expected to provide. It also should include information regarding the time frame, factors that will be used to evaluate the responses, and a contact person.

**At a minimum, local governments are required to conduct limited solicitation in the procurement of planning services and** will be asked to provide documentation that a minimum of three (3) qualified firms were contacted in writing or via phone and provided formal quotes for consideration. The local government will be required to submit evidence that the limited solicitation process was followed and documentation of the review and selection process. Any representative hired by a local government to conduct the RFP solicitation or procurement process cannot be subsequently hired by the local government to perform the planning services.

Documentation that the following CDBG requirements have been met will apply to all CDBG planning grant recipients when procuring for professional services:

### **Disadvantaged Business Enterprise Requirements**

Outreach to qualified Disadvantaged Business Enterprise and Women-owned Business Enterprise and Minority-owned Business Enterprise (all referred to as DBE) firms should be completed each time a procurement action is undertaken. For most projects, this would mean copying DBE firms at the time of issuing a Request for Proposals (RFP) or Request for Qualifications (RFQ) to hire an engineer, architect or planner. A sample Letter of Work Notification to DBE firms may be found on the [website](#).

A list of Montana Disadvantaged Business Enterprises created by the Montana Department of Transportation (MDT) Disadvantaged Business Enterprise Program may be found by calling MDT at (406) 444-6337 or downloaded from their [website](#).

The primary objective of this requirement is that grantees and any sub-grantees take all necessary affirmative steps to ensure that DBEs in labor surplus areas are used when possible in the procurement of goods and services for CDBG funded activities. In order to accomplish this DBE-related objective, CDBG planning grantees must take the following affirmative steps:

- ❑ Ensure that small and minority businesses and women's business enterprises are solicited whenever they are potential sources of goods or services;
- ❑ Divide total requirements -- when economically feasible and consistent with state law -- into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises.

### **Section 3 Requirements**

The Section 3 Notice (Section 3 of the federal Housing and Urban Development Act of 1968) must be published at least once at the beginning of the project but can be published each time a major procurement action is undertaken on a planning project. For most projects, this would mean publishing the first Section 3 notice at the time of issuing a Request for Proposals (RFP) or Request for Qualifications (RFQ) to hire an engineer or architect. This notice is to ensure that interested parties and residents have a reasonable opportunity to hear about the potential Section 3 employment opportunities as a result of the CDBG project. The language containing the Section 3 requirements must be included in advertisements and any contracts awarded to contractors that benefit from CDBG funds.

A sample Section 3 Public Notice: Economic Opportunities for Low-Income and Moderate Persons is provided below and can also be found in Chapter 5, Exhibit 5-B of the *CDBG Grant Administration Manual*. This notice or its equivalent must be published in order to inform the community of employment and business opportunities and to demonstrate compliance with Section 3 requirements. Section 3 activities must be reported to Community Planning staff prior to CDBG planning grants funds being disbursed.

Section 3 requires that to the greatest extent feasible:

- Opportunities for training and employment must be given to lower-income residents of CDBG-assisted projects; and
- Contracts for work in connection with such projects should be awarded to business concerns located in, or owned in substantial part by "project area" residents. (See Chapters 13, Exhibit 13-H, for additional information about required Section 3 reporting by CDBG grantees at the time of project closeout.)

A sample notice form for CDBG grant recipients can be found by visiting the [website](#), and should be used to inform the community of prospective employment and business opportunities.

### **Professional Services Agreements and Supplemental Conditions**

Once the procurement process is complete and a consultant is hired, grantees may use the sample [professional services agreement](#) (see website) which includes the standard language used in such contracts and the clauses required for CDBG-funded grant contracts. It is the grantee's responsibility to include provisions related to all applicable CDBG requirements in any contract or agreement through which CDBG funds are passed on to a contractor or subcontractor.

The [CDBG Supplemental Conditions to Contracts](#) (see website) must be included in contracts for professional services, even if a contractor prefers to use their existing contract format. In both sample formats, the required clauses have been noted with an asterisk.